



INTERNATIONAL  
ASSOCIATION  
OF JEWISH  
VOCATIONAL  
SERVICES

December 13, 2004

President's Committee for Purchase from People  
Who Are Blind or Severely Disabled  
1421 Jefferson Davis Highway  
Jefferson Plaza 2, Suite 10800  
Arlington, VA 22202-3259  
Attn: Mr. John Heyer, Ms. Janet Yandik

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On behalf of the International Association of Jewish Vocational Services (IAJVS), we are writing to express our opposition to the proposed rulemaking [Docket No.2004-01-01] from the President's Committee for Purchase From People Who Are Blind or Severely Disabled. We strongly believe the proposed rulemaking on governance standards for central nonprofit agencies and nonprofit agencies participating in the Javits-Wagner-O'Day Program (JWOD) exceeds the scope of the Committee's authority and congressional mandate.

IAJVS is a sixty-five year old professional association that represents an international non-profit network of 29 health and human service organizations in major metropolitan areas in the United States, Canada, Israel, and Argentina. With a combined budget of \$390 million, the IAJVS member agencies annually serve in excess of 400,000 individuals through a vast array of services such as career management, skills training, rehabilitation programs, health services, and home and community-based services, to name just a few. On a daily basis, thousands of new immigrants, persons with disabilities, youth, and adults of all ages come through IAJVS' agencies doors seeking assistance with their journey to economic and personal independence.

At the forefront of responsive and innovative programming for persons with disabilities, IAJVS affiliates provide a full spectrum of services, including: vocational programming in workshops, supported and competitive employment opportunities in community settings for individuals with mental, emotional, and/or physical disabilities, and support services through job search assistance and on-site job coaching. In 2003, the network served an estimated 52,800 persons with disabilities.

As one of the six founding National Nonprofit Agencies of NISH, the IAJVS network has played a key role in advancing the employment opportunities for persons with disabilities for decades. Four of our member agencies are JWOD- producing CRPs, and ten affiliate agencies administer non-JWOD producing contracts totaling placements of 4,000

individuals with disabilities in varied contract work settings, producing revenue in excess of \$19 million.

In this era of transparency and accountability, we understand and support the need for guidelines to ensure nonprofit organizations are being held to the highest professional standards and following sound business practices. We share the Committee's concern -a nonprofit organization engaging in corporate mismanagement, jeopardizes crucial services to those in need, and threatens the public's trust. However, we disagree that the proposed rules are the appropriate mechanism to bring about change. Such recent isolated instances of abuse do not give an individual federal agency authority to promulgate corporate governance and other standards, particularly when governmental regulations are already in place. Primary oversight over a variety of financial and governance affairs including executive compensation for nonprofit organizations, resides with the Internal Revenue Service. The Committee, as well as the general public, have immediate access to a nonprofit's CEO's compensation via the IRS's 990 Form. In certain cases of alleged abuses and instances of inappropriate compensation, the Internal Revenue Service can conduct audits on nonprofit agencies. Such organizations identified as out of compliance with applicable laws and regulations are subject to intermediate sanctions imposed upon them by the IRS. In addition, the Senate Finance Committee has asked an independent national panel to review non-profit governance and make recommendations by Spring 2005 on additional governance standards for the non-profit sector.

We have great concerns regarding the Committee's effort to regulate the governance standards for nonprofit, tax-exempt 501(c)(3) organizations. Such regulations for these organizations already exist with numerous federal entities. As a network representing participating JWOD agencies, we urge the Committee to continue its important work in providing employment and training opportunities for persons who are blind or have other severe disabilities. We respectfully request that the Committee cease efforts to establish regulatory authority and withdraw these rules.



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